



ECONOMIC AND FINANCIAL CRIMES COMMISSION

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PETITION RECEIPT

This is to certify that the petition with the following details was received by the commission on this day,

Thursday 16th February, 2023 at 01:41PM.

PETITION NUMBER: EFCC/PET/HQR/2412/2023
TITLE: case of fraud financial Impropety of public resources
SUBMITTED BY: Verima Solicitor
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Signature and Date
(Petitioner/Complainant)

Signature and Date
(Receiving Staff)

EFCC



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25th February, 2022

The Executive Chairman,
Economic and Financial Crimes Commission,
No 5 Fomella Street,
Off Adetokunbo Ademola Crescent,
Wuse Zone II
Abuja FCT.



Dear Sir,

**CASE OF FRAUD, FINANCIAL IMPROPRIETY, PILFERING OF PUBLIC RESOURCES
PEPETRATED AGAINST THE LOCAL GOVERNMENT COUNCILS IN EDO STATE BY
EDO STATE GOVERNMENT OFFICIALS AS WELL AS USING SUBEB, AN AGENCY
OF GOVERNMENT AS A CONDUIT PIPE TO FURTHER SIPHON PUBLIC FUNDS BY
THE EDO STATE GOVERNMENT**

We act as Solicitors to **Messrs. Zibiri Akeem and Yakubu Musa**, who are Leaders of All Progressives Congress in Edo State (hereinafter called "Our Clients") and it is on their instructions we present this complaint to you.

Our Clients informed us that by virtue of their vantage position as a political officer in the All Progressive Congress (APC) in Edo State (the opposition party in Edo State), they stand in a better position of overseeing the ways of governance in Edo State. It is on account of this that they received various complaints from concerned current and previous management officers of the various council Areas and State Government Agencies on the fraudulent activities of the Edo State Government in the following areas: depleting the Federal Government monthly allocations to Local Government Council Areas in active connivance with their appointed cronies in the various council Areas and other fraudulent acts through some Agencies alike. For ease of reference, the complaints will be categorized into **7 sub-divisions** as follows:

A. JAAC CASH DISBURSEMENT

Local government is the third tier of government in Nigeria. It is the closest arm of government to the people. Its mandate is to take development to the local people. It is in furtherance of this mandate that Section 162(6) of the Constitution, creates the State Joint Local Government Account, into which allocations to the local government councils from the Federation Account and state governments are paid.

The Edo State Government named its own joint account, Joint Account Allocation Committee (JAAC). This Committee comprised currently of the H.O.S of the Local Government Councils, (in the absence of Chairmen) and some selected Government officials.

The Committee holds monthly wherein the Allocation due to the local councils are not disclosed to them but merely given a meager sum after claiming to have removed huge sum of the allocation to settle fictitious bills like non-existent projects and unaccounted transactions. This has been the trend since 2017 as the various local government administrations in Edo State have been hijacked by state government. The Governor does not only choose his cronies to administer the local governments, he also dictates how their finances, especially allocations from the Federation Account should be spent thus making the third tier of government as mere administrative appendages placed under commissioners for local government and chieftaincy matters.

This undue fraudulent act of the State Government has made the third tier of government not only to lose its financial independence but operational autonomy, and rendering them redundant and incapable of rendering even the simplest of social services to the grassroots.

It is of most assistance to note that it was against this background that the federal government alarmed by the continuous misuse of cash allocated to local councils across the country by state governments through the State Joint Local Government Accounts (SJLGA), outlawed the meddling of states in council allocations via the **NFIU**, which was excised from the EFCC.

In May 2019, NFIU issued some guidelines to guard against the overbearing influence of state governments in the administration of local governments' monthly allocations. The agency also threatened to deal with individuals and companies abetting the diversion of local government funds with local and international sanctions

Despite this various warnings and safeguards puts in place by the Federal Government, the fraudulent act by the Edo State Government continues unabated.

It is also worthy of note that our dear President Buhari did not spare most of the State Governors in his remark during his speech at an event hosted for members of the Senior Executive Course 44 (2022) of the National Institute for Policy and Strategic Studies (NIPSS) at the Presidential Villa Abuja that some State Governors are known For Corruption by their acts of Keep Diverting and tampering with Local Government Funds

The president said that such unfair treatment of local government administration could only be described as lack of integrity among those governors. The President said further that it beat anyone's imagination how some Governors

would collect money on behalf of council areas in their states only to remit half to the council chairman, who would further deplete the remittance in further pilfering of public resources. He declared such actions as despicable and speak of the height of corruption in the country.

B. PILFERING BY COUNCIL OFFICIALS ACTING AS CRONIES TO THE STATE GOVERNMENT

It is painfully discovered that appointed administrators of the Local Government do not also spare the remnants eventually handed over to them as they further deplete the remittance in further pilfering of public funds.

Upon the receipt of the meager sum allocated to them by the State Government via Access Bank at Lagos Street, Benin City, a committee which comprise of only 2 persons- the H.O.S and the Treasurer is set up known as the CASH DISBUREMENT COMMITTEE (C.D.C). The sum will never be disclosed to the management as well as those saddled with the responsibility of ensuring proper accountability. The fund will be managed by these 2 individuals only which is a deliberate flaw put together to prevent the sum removed to come to the open.

Cash Disbursement committee should not be for HOS and Treasurer in the Local Government. It is expected that Disbursement of Local funds should go to F & G.P.C meetings i.e the EXCO where all HOD and Directors are in attendance. This approach will put a check and create room for members to be aware of what comes into the Council. The duo used fictitious department like social department, works department, environmental department etc to siphon these funds as these various departments don't have budget to show and no physical project on the ground to justify the withdrawals.

Any of the departmental heads that are not prepared to play games along with them will be starved of funds as the department will be rendered incapacitated. It is therefore practically wrong and highly deplorable, criminal, unjust and inhuman for 2 persons to be taking decisions on how the resources of Local Government should be allocated.

C. EDO SUBEB.

It is worrisome to say that after the state government has frustrated governance in Edo State and the cry from the people calling on government to be responsible to the plight of Edo citizens, Governor Obaseki in collaboration with the commissioner of Education in Edo State has decided to use the Edo State SUBEB to carry out another dubious act.

It is gathered from a reliable source that at any moment from now, the state government will embark on some skeletal renovations of some schools across the

state. In carrying out this mission, two to three unqualified friends of the government in every local government have been selected to handle these contracts.

How he uses people who don't have experience in building to renovate schools because they are his party members is still not very clear to us. Those who have been politically selected based on party loyalty and not how competent they are have all been told of how these contracts will be inflated by 100%, they will through the back door return proceeds to the government which will be paid into a special account meant to be used for the 2023 elections while the purported project will be abandoned and left undone.

D.REQUEST FOR DUBIOUS LOANS

i. The state government in its desperate bid to manipulate the 2023 elections, nicodemusly cornered the speaker of the Edo State House of Assembly to approve a 25BN loan. As if that wasn't enough, Governor Obaseki approached sterling bank for a 16BN loan as upfront payment for federal roads constructed by the Oshiomhole government which the Buhari led administration is paying back in installments. Only Obaseki can tell how he intends to pay the interest accrued from that loan.

ii. The Government of Godwin Obaseki applied for a loan of N10 Billion to revitalize Edo Line. The Edo State House of Assembly disapprove the request. However, the Governor surreptitiously invited the Speaker to his bedroom where he singlehandedly approved it without recourse to the House. It is indeed a sorry case that despite the loan obtained for the purported revitalization of the Transport Company, it is on record that the Staff protested for non-payment of their salaries.

E. SOBE FARM PROJECT

Our Clients were reliably informed that Edo State Government secured the land for SOBE FARM with N500,000,000. A Consultant that was assigned to manage the farm was also supposedly paid 1,000,000,000 (One Billion Naira). It is appalling that despite the whopping sum of N2.500,000,000 (Two Billion, Five Hundred Million Naira) that was expended on the farm the only income realized from it is a pitiable sum of N50,000.00 Fifty Thousand Naira from the sale of Corn. What a sorry case. A call is hereby made for the immediate arrest and prosecution of Hon JOE OKOJIE, the Special Adviser to the Governor on Agric as well as the permanent Secretary to give details of the transaction

F.BENIN- ABRAKA ROAD PROJECT

Our Clients were informed that the contract for the construction of the Benin-Abraka Road was awarded to GRANEURG CONSTRUCTION COMPANY, a foreign Company. A mobilization sum of N1,500,000,000 was paid to them. Surprisingly, N1.300,000,000 was collected back from them by agents of the State Government thus making the Company unable to mobilize to site and the project abandoned. A

call is forthwith made for the invitation of the construction company to unravel the circumstances of the project abandonment.

G.FRAUDULENT GRANT OF N200,000,000 FOR GRADING OF EARTH ROADS BY THE NEWLY CONSTITUTED LAISON OFFICERS BY GOVERNOR OBASEKI.

Our Clients were further informed that the Government of Obaseki cunningly gave his newly appointed Liaison officers of all the Local Government Areas a whopping sum of N200,000,000 each for the earth grading of roads and sanitation in their locality which sum was never well expended for the purpose and nothing visible on ground to justify the expenditure but intended to be diverted to the execution of electioneering campaigns. We therefore request that **the Liaison Officers, the various HOS and the Council Engineers** be invited as a matter of urgency to give account of the said sum granted to them.

In all, we beseech your esteemed commission to as a matter of public importance beam their light on the affected **Edo Government Officials, the local councils Engineers, H.O.S and the appointed Liaison Officers** and anyone who will make himself available to be used in these plans of depleting the Edo treasury as well as commence intensive investigation into all these complaint to ensure that the culprits are brought to book. Additional information/materials you may require for the effective prosecution of all these complaint will be provided in due course.

Your assistance in this respect will be highly appreciated.

Yours faithfully,


Emmanuel Ajegba Esq.
Managing Partner.

